US EXECUTIVE APPROVAL FORM

CUSTOMER NAME: Teradyne Corporation
PARTNER/VAD NAME:

SECTION I - Approval Requests:
HQAPP Requests:

1) This deal is a competitive Peoplesoft replacement along with Advanced Planning modules to extend the customers investment in the Oracle e-business suite.   We are replacing Peoplesoft modules HR, Benefits and Payroll with Oracle HR equivalents. The customer is aware of our plans for a like-for-like replacement. Per the new policy, will will provide Psft like-for-like items at an effective 100% license dsct, however support for the like-for-like items will be paid at the deal discounts.

2) An effective overall license discount of 83%, 3 like-for-like items at 100% license discount, all other line items at 75% (worst case)

3) Support cap at 0% for three years (two renewals), 4% for years four and five

TIER 2 Requests:
Price hold for 2 years at 45%, subject to a $100K minimum net License buy, on the following modules: iRecruitment, Training Admin, iLearning, HR, Advanced Benefits, Payroll, SS HR, OTL, HR Intell, Adv. Supply Ch. Planning, Const Based Optimization, Invty Optimzn, Global Order Promising, Collaborative Planning.

Previously approved requests within same quarter for same deal (include date of approval):
1.
2.

SECTION II – Deal Summary:
(NOTE – SALES TEAM NEEDS TO REVISIT THE COGS LINE ITEMS. THEY DO NOT MATCH, AS JW POINTED OUT AND THIS NEEDS TO BE FIXED. MAY BE A TYPO ONLY, MAY NEED TO RECALCULATE)

Deal Summary (modify as deal changes to reflect your worse case)			
Product Mix:	Human Resources	6,800	person
	Advanced Benefits	6,800	person
	Payroll	5,000	person
	Self Service HR	6,800	person
	Oracle Adv SCP	$ 460	$M COGS
	Constraint Based Optmzn	$ 460	$M COGS
	Inventory Optimization	$ 660	$M COGS
	Global Order Promising	$ 660	$M COGS
	Collaborative Planning	$ 660	$M COGS
License Discount	83 % (ebiz + 63 %)		
Support Discount	83 % (ebiz + 63 %)		
Comp & Admin Discount	N/A		

GOVERNMENT
EXHIBIT
P1002
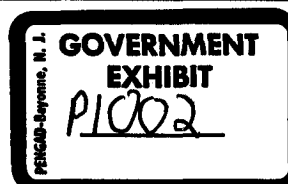
Phased Implementation for Comp & Admin?	N/A
Support Options/Holds	3 yrs from effective date at 0% cap, years 4 and 5 at 4% cap
Price Holds	2 yrs at 45% on specific modules
List License	$3,035,500
List Support	$667,810
List Comp & Admin	N/A
Net License	$530,875
Net Support	$ 166,953
Net Comp & Admin	N/A
Net Price	$ 834,762
Price List Used (specific date)	June 30, 2003

Migrations	
Does deal include migration (y/n)	No
Discount on migrated licenses	
Migration support - before	
Migration support - after	

Customer history	
Existing contractual discount (price hold)	None
Date of Price List for price hold	
When does price hold expire?	
Price hold program categories (database, server, erp, crm, hr/payroll, app suite)	
Name of Agreement, if applicable	

SECTION III - Justification:

Teradyne is an Oracle ERP and Peoplesoft HR user. Psft's de-support of Psft Payroll 7.5 in April 2004 is forcing Teradyne to upgrade to Psft 8, and customer is evaluating upgrading to Psft8 vs. migrating to Oracle HR/Pay. License cost from Psft is nil, and so I am requesting a relatively deep discount given the level of desperation at Psft, and the un-natural acts they are committing in the field. An Oracle win would knock Psft out of the account altogether.

Teradyne is current on its Oracle annual support fees of $1.95 million.

Discounts and terms requested above are worst case.

The mgmt approval chain and HQAPP should be aware that customer is requesting a number of terms (see table below) to which we have responded with polite "no's". This tenor of the negotiation is that Oracle is not agreeing to the great majority what Teradyne requests and what Teradyne claims other vendors have provided. (In particular, Teradyne claims Psft permits true downs without support reinstatement penalties in units of 1200 employees for HR modules).

Teradyne request	Oracle Response
Teradyne's contract with Oracle was written in 1996 and needs to be updated, so	We are politely declining to re-

assume a contract negotiation will be part of the process. Teradyne would like it's support fees to match it's current use of Oracle vs. its licensed quantities.	write the SLSA. Current deal is more favorable than actual counts at e-bus discounts.
The definition of an employee from a license perspective will be current W-2 employees (or the equivalent in foreign countries). Former employees, Consultants and third party temporary employees will not apply against Teradyne's Oracle headcount	We are politely declining to re-define any of the standard definitions
Teradyne requires the right to annually true down as headcount changes without losing the value of the license	Teradyne sales are down 65% from 2000 and CFO is struggling to match sg&a to revenue. Nonetheless, we will politely decline
Teradyne requires the right to annually de-support specific modules with some reasonable re-instatement fee as an option	We have politely declined to change our standard policy
In a previous purchase Teradyne purchased three business intelligence modules by mistake. Teradyne requires that Oracle provide some "trade-in" methodology to leverage those purchases into this purchase.	In the 2000 deal for $6.8M TER bought $263K of BIS – and didn't mean to. We have declined to adjust the support fee in their favor per previous requests and we are politely declining to consider this request.
Teradyne requires a product Warranty with "strict conformance" as a standard to assure that the product works as sold and a remedy that covers all of Teradyne's implementation costs not just the license purchase price.	We are politely declining this change and any others to the definitions in the existing SLSA.

Recommendation: *(leave blank for HQAPP to fill out)*

Submitted By: *(fill in rep name and AVP name here)*
Field RM name if submitted by OracleDirect:

R: *(leave blank for HQAPP to fill out)*
C:
L:
A:
BP:

****
PLEASE NOTE THAT HQAPP WILL NOT REVIEW ANYTHING BELOW AND NOTHING BELOW WAS CONSIDERED FOR THEIR APPROVAL. ONLY DETAILS IN THE REQUEST SECTION (SECTION I) ABOVE WERE CONSIDERED IN THE APPROVAL GRANTED.

SECTION IV – Computer and Admin Services:
(Delete this section if not applicable)

not applicable

SECTION V – Ordering Document Details

<u>Instructions</u> - **Fill in all sections completely.**

APPROVAL REQUIREMENTS - Refer to the Approval Matrix at http://esource.oraclecorp.com

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Contract requested by (August 5, 2003): After all approvals are obtained - Allow 24 hours for standard contracts and 48 hours for non-standard contracts.	
Opportunity I.D. (OSO Number):	719023
Is this a ship order?	_____ Yes ___X___ No
Deal Structure (indicate Direct, Pass-Through, Sublicense, or Trial License):	Direct
Is this deal the result of a compliance issue that LMS has been involved in?	_____Yes ___X__No
Does deal contain new licenses with an *approved* non-supported license type (i.e. metric is not nor ever has been on Oracle's price list):	_____Yes (specify non-supported license type and eBusiness license type used to determine conversion) ___X___No
Quote Valid Through (insert date):	
Partner (insert name, if applicable)?	Margin or % of net license fees_____
VAD (insert name, if applicable)?	Margin or % of net license fees_____
PARTNER PAYMENT: If this is a direct deal, does it involve a Partner Referral Fee? If yes, specify payment type:	_____Yes __X__No _____Applications Affiliate Fee _____ROP Fee *(GB Use Only)*
MIGRATIONS OR UPDATES:	_____Yes _____No
PREMIUM SERVICES:	_____Yes _____No
INCIDENT PACKS:	_____Yes _____No
INTERNATIONAL: Requires an International Notification Form to be forwarded to your manager, contract specialist, and NASINFO or OGEHINFO.	_____Yes __X__No
Payment Terms:	__X__Net 30 _____Other (Specify)_____
Referenced Agreement:	_____New OLSA _X_ Other (Specify) SLSA-31-May- 1990_____

Customer and Administrative Information – all fields must be filled in	
Customer's EXACT Legal Name:	Teradyne Corporation

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Business Address:	321 Harrison Street
City / State / Zip:	Boston, MA 02118
Customer Contract Admin:	Robert Von Dohlen
Phone #:	617.422.3310
Fax #:	
E-mail ID:	Robert.von.dohlen@teradyne.com
Billing Contact:	Same as above
(Partner/VAD if Indirect):	
Address:	
City / State / Zip:	
Phone #:	
Fax #:	
E-mail ID:	
Tax Status :	Exempt ___ (Need certificate for ship to state if not on Oracle's Tax Exemption Log)
	Non-Exempt _X_
Shipping Contact:	**John Doherty**
Address:	321 Harrison Street
City / State / Zip:	Boston, MA 02118
Phone #:	617-422-3149
Fax #:	
E-mail ID:	**John.doherty@teradyne.com**
Technical Support Contact:	Mark Petter
Address:	179 Lincoln Street
City / State / Zip:	Boston, MA 02118
Phone #:	617.422.2295
Fax #:	
Email ID:	**Mark.petter@teradyne.com**
Partner Name (Indirect):	N/A
Address:	
City / State / Zip:	
Contact Admin:	
Phone #:	
Fax #:	
E-mail ID:	

Education (EPPC)	
Education Prepaid Credit Amount:	$__0_____
Education Discount:	__0__ %
Education Revenue:	$_____
Education Sales Rep:	

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PROCESSOR/NAMED USER PROGRAMS/COMPUTER PROGRAMS (REQUIRED INFORMATION)

Make and Operating System required for each program:
Make: HP
OS: HPUX
PROGRAMS

Programs being purchased this OD

Module	Count		Metric	List License Price Per Unit		List License Extd	
Human Resources	6,800		person	$	50	$	340,000
Advanced Benefits	6,800		person	$	40	$	272,000
Payroll	5,000		person	$	60	$	300,000
Self Service HR (Manager & Employee)	6,800		person	$	35	$	238,000
Oracle Advanced Supply Chain Planning	$	460	$M COGS	$	1,500	$	690,000
Constraint Based Optimization	$	460	$M COGS	$	375	$	172,500
Inventory Optimization	$	660	$M COGS	$	750	$	495,000
Global Order Promising	$	660	$M COGS	$	300	$	198,000
Collaborative Planning	$	660	$M COGS	$	500	$	330,000
Total						$	3,035,500

Discount Treatment	License	Support	
Human Resources	100%	75%	(psft like for like)
Advanced Benefits	100%	75%	(psft like for like)
Payroll	100%	75%	(psft like for like)
Self Service HR (Manager & Employee)	75%	75%	
Oracle Advanced Supply Chain Planning	75%	75%	
Constraint Based Optimization	75%	75%	
Inventory Optimization	75%	75%	
Global Order Promising	75%	75%	
Collaborative Planning	75%	75%	

Applications		
Will applications be modified:	Yes	X No
Will users be accessing modified Apps from the web:	Yes	X No
Have all prerequisites been included:	X Yes	No
Will users use Fast Forward RPM:	Yes	X No
Will applications be hosted:	Yes	X No

Indicate database that Apps will run on:	On CSI below, named users
Indicate CSI for existing prerequisite database and tools:	3194019

Options not requiring HQAPP, Tier 1, or Tier 2 Approval	
(1)	
(2)	
(3)	
(4)	

Internal Administrative Information	
Applications Sales Manager	Jay Buchta
Technology Sales Manager	Brett Van Gelder
Account Manager	N/A
OracleDirect Rep	Tom Bagley
Education Sales Rep	
Support Renewals Rep	
Premium Support Rep	John Higgins
Migrations Manager	
Is there a teaming agreement?	____Yes (if yes, list all appropriate reps) _X_ No
Requester:	Name: __Jay Buchta_____ Business Telephone: _781-744-0382_____ Cell Phone: 781-710-6109_

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